

## **Legislative Hearing on “The Social Security 2100 Act”**

### **Question for the Record from Congressman Larson**

#### **To Nancy Altman:**

Some have argued that Millennials (and other workers) can’t afford the additional Social Security taxes that they would pay under this bill. What is your response to them?

#### **Response:**

The Social Security 2100 Act will greatly increase the economic security of Millennials, and indeed all workers. It expands benefits and ensures that those increased benefits can be paid in full and on time through the year 2100 and beyond. In 2100, those just entering the workforce today at age 22 will be 103 years old!

To pay for those guaranteed benefits, the Social Security premium is increased modestly. (Whenever the government imposes a mandatory payment, that can be called a tax, but Social Security’s insurance contributions – authorized by the Federal Insurance Contributions Act – are more accurately called insurance contributions or premiums, paid by workers in exchange for the wage insurance protection that Social Security provides.)

The Social Security 2100 Act spreads the premium increase over twenty-four years — nearly a quarter of a century. The annual increase is just 5/100ths of a percent. For workers earning \$50,000, that’s less than 50 cents a week.

This contribution rate increase is much smaller than [increases enacted by past Congresses](#). In 1973, for example, the rate increased by 0.65 percent — 13 times larger than the current proposed annual increase. Moreover, the overall increase is lower than any other 24-year period prior to 1990, the last time the premium rate went up.

Furthermore, workers will receive excellent value for those premiums. According to the Chief Actuary of the Social Security Administration, [Millennials will pay, on average, an extra \\$15,500](#) toward Social Security during their careers, as will their employers. In return, they will get over \$80,000 more in retirement benefits than they would without the 2100 Act.

In addition to retirement benefits, Social Security also provides Millennials and other working families with other protections. As Army Veteran Shaun Castle, Deputy Executive Director of Paralyzed Veterans of America, so eloquently and movingly explained at the hearing, disability or premature death can strike any of us at any time. The Social Security 2100 Act increases those benefits and ensures that they can be paid in full and on time through the year 2100 and beyond.

Social Security’s disability insurance, life insurance, and joint and survivor annuities are strikingly superior to their private sector counterparts. Not only are they more secure and cost-effective, they include features that are unavailable in the private sector at any price.

In short, the 2100 Act is an excellent deal for Millennials. If Congress nevertheless wants to soften the modest impact of the premium increases, it can easily expand the refundable Earned Income Tax Credit. The EITC was enacted in 1975, partly to offset the cost of the Social Security premiums of lower-income workers. Expanding it is the right response by those who want to expand Social Security’s modest but vital benefits and ensure that those benefits can continue to be paid in full and on time through the year 2100 and beyond, but want to soften the impact of the 2100 Act’s modest premium increase. What will

hurt Millennials – and indeed all current and future beneficiaries – is to cut Social Security, either directly or by taking no action whatsoever and allowing automatic benefit cuts to take effect in about a decade and a half.